

TESTIMONY
OF
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Introduction:

My name is Bill Durand and I am the Executive Vice President and Chief Legal Counsel for the New England Cable & Telecommunications Association, Inc., otherwise known as NECTA. NECTA represents substantially all cable television operating and programming companies that serve Connecticut and the other five states in the region. NECTA respectfully submits testimony in support of Raised Bill 6426

For many years, the cable industry has worked with you - our elected state leaders - to bring the latest in video and digital services to the citizens of Connecticut. Thanks in part to our joint efforts, Connecticut has a great story to tell about broadband. Cable companies entered the market and created consumer-accessible, high-speed broadband in 1997. Just one decade later, more than 95 percent of the state's population has access to broadband provided by cable telecommunications companies. By contrast, only an estimated 90 percent of the population has access to broadband nationally.

In short, between cable and other providers, Connecticut has one of the most built-out, competitive and robust broadband systems in the country.

But we're not resting on our laurels, adding more broadband lines and increasing our speeds each year. The cable television industry understands the importance of broadband deployment as an economic development, education and quality of life issue. Through our private investment in broadband, we have positioned Connecticut to succeed and grow.

HB 6426 is about making a very good broadband situation better. As such, this bill should have a relentless focus on the relatively small unserved population. We are interested in exploring a public-private partnership to provide broadband to the unserved areas of Connecticut. At the same time, we urge and caution you to avoid allowing this bill to become a vehicle that siphons resources away from the unserved communities. It doesn't need to. As previously mentioned, 95 percent of the Connecticut population is not only being served already, but it is being served by a robust market occupied by multiple companies, competing technologies and private sector investment. It must be made clear that governmental efforts be limited to and focused on unserved areas. To do otherwise will siphon scarce resources away from the unserved areas and discourage innovation and risk taking that has served the state so well. We support mapping of the state so that one central broadband database exists but the data to be submitted by providers

must be limited, clarified and closely guarded. It is crucial that HB 6426 in its final form retain strong confidentiality language in order to get the cooperation of all providers.

Tax credits for deploying broadband where consumers already enjoy access to a broadband network is simply not a good use of limited state funds.

Any incentives that are provided should be technology/provider neutral

If state grants are to be used to promote broadband deployment, they should be targeted to those areas where consumers lack access to broadband.

Subsidizing the deployment of broadband in areas where consumers already enjoy access to broadband service undermines competition. Giving state money to companies to provide broadband "on top" of existing providers punishes those who took risks to invest and who continue to bear the heavy burden of debt-capitalized investment.

Those who deployed broadband early – cable providers, phone companies, and others who took a chance – received no support, bore the entire risk of failure, and continue to service the debt that was incurred to place cables, poles, and electronics to provide broadband. If the government steps in and gives substantial cash benefits – credits or other subsidies – to another provider who

delayed investment, and who will have no similar cost structure, then the government is punishing risk taking and destroying the investment of the risk taker. One final suggestion is to incorporate language from Senate Bill 890 making it clear that the act gives no entity any additional authority, regulatory or otherwise, over providers of telecommunications and information technology.

Thank you for your consideration of NECTA's testimony. We look forward to working with the Committee. Please feel free to contact me with any questions you may have.